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AZ CORP COMMISSION
DOCKET CONTROL**BEFORE THE ARIZONA CORPORATION COMMISSION****COMMISSIONERS**

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ORIGINAL

Arizona Corporation Commission

DOCKETED

JUN 30 2014

DOCKETED BY

Docket No. W-01431A-13-0265

**APPLICATION OF ESTATE OF
WILLIAM F. RANDALL DBA VALLE
VERDE WATER COMPANY FOR AN
INCREASE IN ITS WATER RATES**

LONG TERM MANAGEMENT PLAN

Pursuant to Decision No. 74503, the Estate of William F. Randall dba Valle Verde Water Company ("Company") hereby files its plan to resolve the matter of the long term management and eliminate the need for an interim manager. To be clear, this statement sets forth a plan consistent with the discussions between the Interim Manager and the representatives of the Estate of William F. Randall ("Estate").

1. Set Up a Company

The first step towards establishing long term management is forming a company to receive the Company assets. This step has already been taken. The Valle Verde Water

1 Company, LLC ("LLC") was formed on December 20, 2012. The joint owners of the
2 LLC are Christina Randall and the Estate of Catalina Randall. As the Commission may
3 recall, Catalina passed away in 2012, so now her 50% share of the Company will pass
4 through her Estate to her brother Bernard Salgado, who is elderly and in poor health. Our
5 understanding is that for this reason Bernard's assets will pass to his two children.
6

7
8 The ownership of the LLC will be set based upon proportional shares of the
9 William F. Randall Estate. As it stands now, Christina Randall will own 50% and
10 Bernard Salgado will own 50% of the LLC. If Mr. Salgado passes away, then his
11 children will split has ownership interest, so they will each receive 25% interest in the
12 LLC.
13

14 To assist the heirs of Mr. Randall to understand how to operate the LLC and
15 resolve any potential disputes, an operating agreement will need to be drafted. This
16 likely will be done by attorneys representing the beneficiaries of the Estate. Our
17 understanding is that this proposal will need to be approved by the probate court
18 overseeing the disposition of the Estate.
19
20

21 **2. Draft an Agreement to Transfer Assets**

22 Transferring the assets from the Estate to the LLC will need to be documented by an
23 agreement. This agreement will have to be approved by the probate court. The Interim
24 Manager understands there are several issues that the probate court, or the authorized
25 representative of the Estate, and the Commission will want to be addressed in this
26 agreement. These issues include the ownership and operations of the LLC; payment of
27 debt owed to the Interim Manager; payment of Estate debts; and transfer of all regulatory
28

permits and obligations, including the WIFA debt. The real estate owned by the Estate necessary for water system operations will need to be transferred as well. This agreement is partially drafted and the real estate work is in progress as well. The Interim Manager expects that the agreement will be ready for review within the next 45 days.

3. Apply for Commission Approval to Transfer Assets

As Staff is well aware, Commission rules require the owner to apply for the transfer of assets from one owner to another. Once the probate court or authorized representative approves the plan, the Interim Manager will file an application to approve the transfer of assets from the Estate to the LLC. The Interim Manager believes this matter will follow the normal process and timeline the Commission routinely applies to such matters.

4. Receive Approval to Transfer Assets and Liabilities

Once the Commission authorizes the transfer, then the other necessary approvals will be addressed. The WIFA debt will need to be assigned to the LLC. The ADEQ permits will need to be transferred. All easements and land use permits will need to be assigned to the LLC. Likewise, line extension agreements must be transferred. This process typically takes approximately ninety days.

RESPECTFULLY SUBMITTED this 30th day of June, 2014.

MOYES SELLERS & HENDRICKS LTD.


Steve Wene

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2 Original and 13 copies of the foregoing
3 filed this 30th day of June, 2014, with:

4 Docket Control
5 Arizona Corporation Commission
6 1200 West Washington
7 Phoenix, Arizona 85007
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9 Donnelly Herbert
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